

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION OF)	ORDER GRANTING
KMC TELECOM V, INC. D/B/A SOUTH)	CERTIFICATE OF
DAKOTA GTS FOR A CERTIFICATE OF)	AUTHORITY
AUTHORITY TO PROVIDE INTEREXCHANGE)	
TELECOMMUNICATIONS SERVICES AND)	TC00-199
LOCAL EXCHANGE SERVICES IN SOUTH)	
DAKOTA)	

On December 7, 2000, the Public Utilities Commission (Commission) received an application for a certificate of authority from KMC Telecom V, (KMC).

KMC proposes to offer a full range of 1+ interexchange services, including MTS, private line, WATS, toll free, ISDN and frame relay services through resale and to operate as a resold and facilities-based local exchange services provider of high-speed data transmission services to customers to and from all points in South Dakota in all areas approved for service by competitive local exchange carriers. A proposed tariff was filed by KMC.

On December 14, 2000, the Commission electronically transmitted notice of the filing and the intervention deadline of December 29, 2000, to interested individuals and entities. No petitions to intervene or comments were filed and at its regularly scheduled January 17, 2001, meeting, the Commission considered KMC's request for a certificate of authority. Commission Staff recommended granting a certificate of authority, subject to KMC not offering basic local dial tone service to end users, subject to the condition that KMC not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission, and subject to rural safeguards. Commission Staff further recommended a waiver of ARSD 20:10:32:03(10).

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-31, specifically 49-31-3 and 49-31-69 and ARSD 20:10:24:02, 20:10:24:03 and 20:10:32:03. The Commission finds that KMC has met the legal requirements established for the granting of a certificate of authority. KMC has, in accordance with SDCL 49-31-3 and 49-31-71, demonstrated sufficient technical, financial and managerial capabilities to offer telecommunications services in South Dakota. Further, the Commission finds that there is good cause to waive subparagraph (10) of ARSD 20:10:32:03.

The Commission approves KMC's application for a certificate of authority, subject to KMC not offering basic local dial tone service to end users, subject to the condition that KMC not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission, and subject to rural safeguards. If KMC chooses to provide dial tone in the future, it must file with the Commission for approval. The certificate of authority for KMC shall authorize it to offer local exchange services in South Dakota,

except in those areas served by a rural telephone company. In the future, should KMC choose to provide local exchange services statewide, with respect to rural telephone companies, KMC will have to come before the Commission in another proceeding before being able to provide local service in that rural service area pursuant to 47 U.S.C. § 253(f) which allows the Commission to require a company that seeks to provide service in a rural service area to meet the requirements in 47 U.S.C. § 214(e)(1) for designation as an eligible telecommunications carrier. In addition, the granting of statewide certification will not affect the exemptions, suspensions, and modifications for rural telephone companies found in 47 U.S.C. § 251(f). It is therefore

ORDERED, that KMC's application for a certificate of authority to provide interexchange telecommunications services and local exchange services is granted, effective February 15, 2001, subject to KMC not offering basic local dial tone service to end users, and subject to the condition that KMC not offer a prepaid calling card or require deposits or advance payments without prior approval of the Commission; and it is

FURTHER ORDERED, that KMC shall file informational copies of tariff changes with the Commission as the changes occur; and it is

FURTHER ORDERED, that the Commission shall authorize KMC to offer its local exchange services in South Dakota, except in those areas served by a rural telephone company; and it is

FURTHER ORDERED, that the Commission finds good cause to waive subparagraph (10) of ARSD 20:10:32:03.

Dated at Pierre, South Dakota, this 24th day of January, 2001.

<p align="center">CERTIFICATE OF SERVICE</p> <p>The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.</p> <p>By: _____</p> <p>Date: _____</p> <p align="center">(OFFICIAL SEAL)</p>

BY ORDER OF THE COMMISSION:

PAM NELSON, Vice Chairman

LASKA SCHOENFELDER, Commissioner